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CENTRAL INTELLIGENCE AGENCY

REPORT NO. [REDACTED]

INFORMATION REPORT

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COUNTRY China

DATE DISTR. 6 June 1951

SUBJECT Chinese Communist Consideration of Burma as Transshipment Stage and Oil Supply

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SUPPLEMENT TO
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1. In January Chinese Communist officials of the Ministry of Trade in Peiping viewed with interest the propositions of a Hong Kong businessman for the utilization of Burma as a transshipment point in the event the United States and the United Kingdom enforced further economic restraints against China. While soliciting comments and suggestions on the development of Burma, the officials did not specifically state what they desired or planned for the future.
2. One Hong Kong businessman, who deals with the Chinese Communists in purchases of petroleum, was urged to go to Burma and develop his contacts there for future trade in petroleum.

25X1A [REDACTED] Comment. Burma was being considered in these ways for the following reasons:

- a. There are both sea and land routes between China and Burma.
- b. Goods can be easily smuggled from Burma into Thailand and Indochina, thence brought into China.
- c. The presence of the Chinese Communist embassy in Burma would facilitate the inspection of goods and invoices and would expedite Communist-financed imports and exports.
- d. Burma would provide some industrial potential as a source of oil and gasoline, if effort and capital were provided for the rehabilitation of oil fields and refineries.

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[REDACTED] Comment. [REDACTED] states that the Chinese made a proposition to Burma in May for building up Burmese oil supply capabilities and that ships have been chartered for the transshipment of supplies through Burma, India, and Pakistan.

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This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States.
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